

GRAND BANKS YACHTS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 197601189E

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at **York Hotel Singapore (Rose Room I & II at Upper Lobby Level), 21 Mount Elizabeth, Singapore 228516 on 8 October 2014 at 10.00 a.m.** to transact the following business (see *Explanatory Note (i)*):

Ordinary Business

- 1) To receive and consider the Directors' Report and Audited Accounts for the year ended 30 June 2014 and the Auditors' Report thereon. **(Resolution 1)**
- 2) To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 2)**
- 3) To approve payment of additional Directors' fees of S\$115,000 for the year ended 30 June 2014. (see *Explanatory Note (ii)*) **(Resolution 3)**
- 4) To approve payment of Directors' fees of S\$237,000 for the year ending 30 June 2015. (2014: S\$229,000) (see *Explanatory Note (iii)*) **(Resolution 4)**
- 5) To re-elect Mr. Peter Kevin Poli, who is retiring by rotation under Article 86 of the Articles of Association and who, being eligible, offers himself for re-election as an executive Director. **(Resolution 5)**
- 6) To re-elect Mr. Basil Chan, who is retiring by rotation under Article 86 of the Articles of Association and who, being eligible, offers himself for re-election as an independent Director. **(Resolution 6)**
- 7) To re-elect Mr. Mark Jonathon Richards, whom being appointed by the Board of Directors after the last annual general meeting, is retiring from office in accordance with Article 92 of the Articles of Association and who, being eligible, offers himself for re-election as an executive Director. **(Resolution 7)**
- 8) To re-appoint Mr. Robert William Livingston, as a director pursuant to Section 153(6) of the Companies Act, Cap. 50 ("**Companies Act**"), to hold office until the next Annual General Meeting of the Company. **(Resolution 8)**
- 9) To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

Special Business

- 10) To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendments:

"THAT pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and notwithstanding the provisions of the Articles of Association of the Company, authority be and is hereby given to the Directors to:

- (a) (i) allot and issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this resolution may have ceased to be in force), issue shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

provided that:

1. the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph 2 below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 20% of the total number of issued shares, excluding treasury shares, in the capital of the Company (as calculated in accordance with sub-paragraph 2 below);
2. (subject to such manner of calculation as may be prescribed by the **SGX-ST**) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph 1 above, the percentage of the total number of issued shares, excluding treasury shares, shall be based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
3. in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association; and
4. (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier." (see *Explanatory Note (iv)*) **(Resolution 9)**

BY ORDER OF THE BOARD

Ler Ching Chua
Company Secretary

Singapore
23 September 2014

Explanatory Notes:

- (i) A member is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not be a member. The instrument appointing a proxy must be deposited at the Company's registered office at 274 Upper Bukit Timah Road #03-16, Singapore 588213 not less than 48 hours before the time for holding the Annual General Meeting.
- (ii) Resolution 3 is to approve the payment of S\$115,000 as additional Directors' fees for the financial year ended 30 June 2014, in respect of one additional non-executive Director appointed to the Risk Management & Audit Committee on 10 February 2014 as well as additional fees to the three independent directors for their exceptional time spent and contribution towards returning the Group to profitability. The amount approved at the Annual General Meeting held on 31 October 2013 for the year ended 30 June 2014 was S\$229,000. If the Resolution is approved, the total Directors' fees for the year ended 30 June 2014 would be S\$344,000.
- (iii) Resolution 4 is to approve the payment of an aggregate S\$237,000 as Directors' fees for the current financial year, commencing on 1 July 2014 and ending on 30 June 2015, to be paid out quarterly in arrears.
- (iv) Resolution 9, if passed, authorises the Directors from the date of this Annual General Meeting up to the date of the next Annual General Meeting, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding 50% of the issued shares, excluding treasury shares, in the capital of the Company on a *pro-rata* basis to shareholders (of which up to 20% of the issued shares, excluding treasury shares, in the capital of the Company, may be issued on a non *pro-rata* basis to shareholders). For determining the aggregate number of shares that may be issued, the percentage of issued shares, excluding treasury shares, will be calculated based on the total number of issued shares, excluding treasury shares, in the capital of the Company at the time that this resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.